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9	6151 Lakeside Drive, Suite 2100 Reno, NV 89511				
	Telephone: (775) 786-7600				
10	General Insolvency Counsel				
11	for Debtors and Debtors-in-Possession				
12	UNITED STATE	UNITED STATES BANKRUPTCY COURT			
13	DISTR	DISTRICT OF NEVADA			
14	In re:	Jointly Administered under			
15	X-TREME BULLETS, INC.,	Case No. 18-50609-btb with			
16	AMMO LOAD WORLDWIDE, INC.,	Case Nos. 18-50610-btb; 18-50611-btb;			
- 1	CLEARWATER BULLET, INC., FREEDOM MUNITIONS, LLC,	18-50613-btb; 18-50614-btb; 18-50615-btb; 18-50616-btb; and 18-50617-btb			
17	HOWELL MACHINE, INC.,	Chapter 11 Proceedings			
18	HOWELL MUNITIONS & TECHNOLOGY, INC.,	STIPULATION REGARDING SALE OF			
19	LEWIS-CLARK AMMUNITION	EQUIPMENT IN THE ORDINARY COURSE OF BUSINESS			
20	COMPONENTS, LLC, COMPONENTS EXCHANGE, LLC,	OF BUSINESS			
21	All Debtors.	[No Hearing Set]			
22	Debtors and Debtors-in-Possession.				
23		•			
1	This Stipulation Regarding Sale of Equi	pment in the Ordinary Course of Business			
24	("Stipulation") is entered into by and among Ho	owell Munitions & Technology, Inc. ("HMT")			
25		, together with HMT, the "Debtors"), debtors and			
26	, ,				
27	debtors-in-possession, on one hand, and Z.B., N				
28	and the Official Committee of Unsecured Credi	tors ("Committee"), on the other hand, by and			
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through their respective counsel, and is made with reference to the following facts and circumstances. The Debtors, Zions, and the Committee are referred to herein, collectively, as the "Parties."

## **RECITALS**

- A. On June 8, 2018 ("Petition Date"), the Debtors and related debtors filed petitions for relief under Chapter 11 of the Bankruptcy Code commencing these cases. The Debtors are managing and operating their businesses as debtors-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code.
- B. ALW builds, refurbishes, and sells refurbished machinery in the ordinary course of its business.
- C. On September 14, 2018, the Debtors received from Sig Sauer, Inc. ("Sig Sauer") an offer ("Offer") to purchase certain equipment identified as "BRUT Headturn/Trim Machine" ("Equipment") for \$95,000. The Equipment was purchased by the Debtors prior to the Petition Date and subsequently refurbished by ALW in the ordinary course of its business. A true and complete copy of the Offer is attached hereto as Exhibit "1" and is incorporated herein by this reference.
- D. The Debtors have determined to sell the Equipment to Sig Sauer pursuant to the terms of the Offer ("Sale").
- E. The Debtors assert that the Sale is the type of transaction that (i) other similarly situated businesses in the Debtors' industry would enter into in the ordinary course of business, and (ii) creditors of the Debtors would reasonably expect the Debtors to enter into in that ALW is in the business of refurbishing and selling equipment. Therefore, the Debtors assert that the Sale represents a transaction in the ordinary course of the Debtors' business under the standards adopted by the Ninth Circuit Court of Appeals in In re Dant & Russell, 853 F.2d 700 (9th Cir. 1988).
- F. Both Zions and the Committee acknowledge and agree that the Sale represents a transaction in the ordinary course of the Debtors' business and, accordingly, that the Debtors may effectuate the Sale without notice to creditors or a hearing thereon.

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- G. Zions asserts that Zions holds a secured claim in the amount of approximately \$17,529,219 ("Zions Claim") against the Debtors and related debtors and that the Zions Claim is secured by duly perfected first-priority liens encumbering substantially all of the Debtors' assets, including the Equipment.
- H. Zions has demanded, and the Debtors have agreed, that the proceeds of the Sale ("Sale Proceeds") will be paid by the Debtors directly to Zions. In order to satisfy the concerns expressed by the Office of the United States Trustee regarding the payment of pre-petition claims outside of a Chapter 11 plan, Zions has agreed to hold the Sale Proceeds in a segregated trust account pending further order of the Court.
- Out of an abundance of caution, the Debtors desire to obtain from the Court an I. order authorizing the Sale as a transaction within the ordinary course of the Debtors' business. Zions and the Committee have evaluated the proposed Sale, support the Sale, and agree that the Sale is within the ordinary course of the Debtors' business and that proceeding with the Sale pursuant to this Stipulation is a prudent, economical, and efficient means of resolving any issue that may exist regarding the Debtors' right to effectuate the Sale. Accordingly, the Debtors, Zions, and the Committee support to the Sale in the ordinary course of the Debtors' business, subject to an order of this Court approving this Stipulation.

## **STIPULATION**

NOW THEREFORE, in consideration of the above Recitals, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, the Parties, by and through their respective counsel, hereby agree and stipulate as follows:

- Subject to the approval of the Court, the Debtors are hereby authorized to sell to 1. Sig Sauer the Equipment pursuant to the terms of the Offer, a transaction within in the ordinary course of the Debtors' business, without notice to creditors or a hearing thereon.
- The Sale Proceeds will be paid directly by the Debtor to Zions and Zions will 2. hold the Sale Proceeds in a segregated trust account pending further order of the Court.
  - The Debtors reserve all rights to object to the Zions Claim. 3.

1	4. No further notice or he	earing shall be necessary to effectuate the terms and			
2	conditions of this Stipulation.				
3		WINTHROP COUCHOT			
4		GOLUBOW HOLLANDER, LLP			
5	D-4-1- O-4-12 2010	Day /			
6	Dated: October 3, 2018	Robert E. Opera			
7		Andrew B. Levin Counsel for Howell Munitions & Technology, Inc.			
8		and Ammo Load Worldwide, Inc.			
9 10		HOLLAND & HART LLP			
11	Dated: October 3, 2018	By: /s/ Timothy A. Lukas			
12	11	Timothy A. Lukas Counsel for Z.B., N.A.			
13		dba Zions First National Bank			
14		GOLDSTEIN & MCCLINTOCK LLLP			
15		GOLDSTEIN & MCCLINTOCK LLLF			
16	Dated: October 3, 2018	By: /s/ Thomas R. Fawkes			
17		Thomas R. Fawkes Counsel for the Official Committee of Unsecured			
18		Creditors			
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EXHIBIT "1"



72 PEASE BOULEVARD NEWINGTON, NH 03801 USA P: +1 (603) 610-3000 F: +1 (603) 610-3001

Vendor: HOWELL MUNITIONS & TECHNOLOGY 815 D Street Lewiston,ID 83501 United States

## **Purchase Order**

DATE: 09/14/2018 10:14

ORDER NUMBER	REVISION
500151	0

THIS PURCHASE ORDER NO. MUST APPEAR ON ALL INVOICES, PACKING LISTS, CARTONS AND CORRESPONDENCE RELATED TO THIS ORDER.

Bill To:

357 SIG SAUER DR
Door "R"
JACKSONVILLE, AR 72076
United States

Attn: Accounts Payable Dept.
72 Pease Blvd.
Newington, NH 03801
United States

DATE OF ORDER/BUYER

REVISED DATE/BUYER

	<b>VENDOR NO</b> 1016689	DATE OF ORDER/BUYER 14-SEP-2018 B Rogers	REVISED DATE/BUYER B Rogers	
PAYMENT TERMS 2% 10 NET 15		SHIP VIA SigSauer Vendor Routing Instructions	F.O.B. Buyer pays	
	<del> </del>	REQUESTED BY/DELIVER TO Rogers, BJ	CONFIRM TO/TELEPHONE ()	

**Ship To** 

Item	Part Number/Description	Qty	Unit	USD Unit Price	USD Ext
1	/BRUT Headturn/Trim Machine, Complete <u>Delivery Schedule</u>	1	EACH	95,000.00	95,000.00
	Need By Date Promise Date Qty. 1				
Note:					
Note to Vendo	r:	!		Total:	95,000.00

## PLEASE EMAIL ALL INVOICES TO ACCOUNTSPAYABLE@SigSauer.com

All deliveries require a Certificate of Compliance.

Please email all C of C documents to Certs@SigSauer.Com.

Please See the Supplier section of our website, at the following address, for all relevant work instructions and procedures, as well as our Terms & Conditions and Routing Guide. <a href="http://www.sigsauer.com/suppliers">http://www.sigsauer.com/suppliers</a>

Any specific terms agreed to on the Purchase Order will supersede and/or augment all others.

All Prices and amounts on this order are expressed in USD

Through issue of this Purchase Order ("PO"), Sig Sauer intends to pay the amount specified in return for the receipt of the goods and/or services specified in this PO. Payments are subject to timely receipt of goods and/or services and associated invoices.

B Rogers Buver

If this box is populated it has been formally authorized & approved by Sig Sauer, Inc.